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KL CONTRACT CONSULTING LLP

Contractor Purchasing System Review (CPSR)

Government contractors are subject to a review of their purchasing systems pursuant to FAR Part 44. This review is intended to assure the efficiency and effectiveness with which the contractor spends Government funds and complies with Government policy when subcontracting. DFARS clause 252.244-7001, Contractor Purchasing System Administration, sets forth 24 criteria against which a purchasing system is measured for "acceptability."

Objective Obtain and keep an "acceptable purchasing system" through analysis and correction, as required, of current purchasing policies, procedures, and practices.

Approach Analyze information related to company management policies and purchasing manual; purchasing policies and procedures; subcontract clauses; management of purchase operations; development of purchase requirements; source selection; pricing; and subcontract award and administration.

Output Written report of findings, recommendations for correction and improvements. Suggested revisions to procurement policies and procedures, as appropriate. Related training for changed procedures can also be developed and presented.

Benefits Obtain an "acceptable purchasing system," thus avoiding payment withhold and Government's participation in, and adverse effect on, cost effectiveness of the purchasing process.

Increase competitiveness by decreasing material costs through improved cost/price analysis techniques.

Reduce exposure to risk by avoiding improper terms and conditions in subcontracts.

Reduce exposure to fraud or defective pricing caused by purchasing process.

Achieve proper flow down of prime contract provisions.

Assure compliance with Public Law 87-653, "Truth in Negotiations," and Public Law 91-379, "Cost Accounting Standards."

Satisfy requirements of DFARS clause 252.244-7001, Contractor Purchasing System Administration.

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